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S E C R E T SECTION 01 OF 05 BAGHDAD 003062

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SUBJECT: PRESIDENT BARZANI - NOTHING IS AS IT SHOULD BE

Classified By: Ambassador Ryan C. Crocker for Reasons 1.4 (b) and (d).

11. (C) SUMMARY: On September 16, an agitated Kurdistan President Barzani told the Ambassador that he had lost trust in Prime Minister Maliki and if the Prime Minister pushed too far with Iraqi army units there would be armed conflict. Barzani inferred that Maliki has betrayed their friendship and is using the Iraqi Army for personal gain. The Ambassador cautioned that armed clashes between Kurdish and Iraqi national forces would be a disaster for all. The Ambassador urged Barzani to renew his relationship with Maliki, meet with him, and start building other issue-based alliances in the Iraqi capital. The Ambassador depicted the current KRG-GOI relationship as lacking deep engagement, not defining or developing a new Iraq that would support both Kurdish and broader Iraqi interests. The Ambassador pressed upon Barzani the need to formulate a strategic vision of the new Iraq. He pointed out that the forward defense of Kurdistan is Baghdad, not Khanaqin. Barzani, the Ambassador urged, should reach out to Iraqis in Baghdad around specific issues and develop alliances that way. Barzani said he awaits President Talabani's return to represent Kurdish interests in the Baghdad.

12. (C) Barzani lent his full support behind a SOFA agreement offering to do whatever is needed to guarantee Council of Representatives (COR) passage. Regarding the draft provincial elections law, Barzani expressed his frustration with the never-ending COR generated draft texts. He affirmed that the Kurds are willing to accept either short or long UNAMI compromise text that would govern an eventual Kirkuk provincial election. However, changes to either text will need to be thoroughly reviewed. As it pertains to provincial council seats, Barzani confirmed that he upholds the UNAMI wording for "fair and balanced distribution" but will not accept "equal distribution." Barzani insisted that the elections determine the outcome. Barzani agreed to keep an eye on the PKK and looks forward to improving relations with Turkey. On the other hand, Barzani has nothing positive to say about relations with Iran. Both the Ambassador and Barzani agreed that Iran was up to no good in Iraq, recruiting and training special groups to attack the U.S. and keep Iraq in chaos. END SUMMARY.

STATUS OF SOFA - KURDS ON BOARD

13. (C) On September 16, Ambassador briefed President Massoud Barzani on the Status of Forces Agreement (SOFA). He stated that the U.S. was close to an agreement with GOI and estimated that internal discussions would conclude soon. The U.S. negotiating team will then return to present a text to the GOI and hopefully come to an agreement. The draft text will be submitted to the Executive Council (Talabani, Barzani, Maliki, Medhi, Hashemi) for review. The Ambassador emphasized how important it is to garner full support for the SOFA with the Political Council for National Security (PCNS) and the COR. He warned that there must be a legal way for the U.S. forces to remain in Iraq and there is no alternative

bi-lateral agreement. The Ambassador noted that a renewal of the UNSC mandate is unlikely, not least because of the current status of U.S.-Russian relations. The Ambassador made clear that without an agreement, the U.S. must cease all operations in Iraq.

14. (C) Barzani stated that both the KDP/PUK political parties are unified and strongly support a SOFA agreement. He reminded the Ambassador that Kurdish support has been public and unwavering. Barzani referred to his recent al-Jazeera interview during which he came out in strong favor of SOFA. Barzani offered to support the U.S. with whatever is needed to pass a SOFA. Barzani reported that he recently spoke to Mashadani (by phone) who said, "The Kurds stand publicly and privately for SOFA, the Sunnis stand publicly against but are for SOFA and that the Shia are publicly for but privately against the agreement." He asserted that Iran is attempting to thwart this agreement and that some Baghdad politicians have succumbed to Iranian pressure. The Ambassador added that Iran publicly opposes the agreement but that Iran's pressure is having the opposite effect. He further added that Iran has ended up annoying and irritating many Iraqi politicians who now are convinced that Iran is trying to dictate Iraq's decision. The Ambassador opined that PM Maliki genuinely wants the agreement but is concerned that the COR will vote against it and in turn take down this government. Admittedly, the COR is unpredictable. He thanked Barzani for his firm support of SOFA and reiterated that Iraqi leaders must unify behind the agreement to get this passed prior to the end of the year. Barzani expressed some confidence that SOFA would be passed, citing that having ICSI, DAWA, Independents, Kurds, and Sadrists are

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enough to get the vote through. Ambassador reiterated how high the stakes would be if the COR vote fails. He asked Barzani to envision what will happen to Iraq if the U.S. stopped all operations in three months time. Barzani agreed with the Ambassador's assertion that it would be a disaster for all Iraqis. He agreed to stay in frequent communication on the SOFA negotiations.

ELECTIONS LAW - STOP WITH THE TEXTS!

15. (C) Barzani agreed with the Ambassador that it is important to pass the provincial election law. The Ambassador emphasized that elections the second time around are more important than the first time to anchor democratic habits. The Ambassador asserted that an agreement by general consensus among the main political blocs would improve the atmosphere of the COR, the country as a whole and help ease the passage of SOFA. Ambassador solicited Barzani's views of the text for Article 24 about Kirkuk elections. Barzani said that he had received the most recent UNAMI text that evening but had yet to study it fully. Barzani was perturbed that over recent weeks and months he had received several different texts with different changes. Barzani said that it's become a confusing game and does not help in trying to pass it. All the bloc leaders should concentrate on one operative text. He claimed that each change to the text seems to put Kurds at a greater disadvantage. He insisted that it was to stop. Barzani stated that either UNAMI short or long text was acceptable.

16. (C) Regarding Provincial Council (PC) seat distribution, Barzani insisted that the elections determine the outcome. He is in favor of the UNAMI wording "fair and balanced distribution" but "equal distribution" is a non-starter. He asked what would be the point of holding elections if provincial council seats were to be divided equally ahead of time. In addition, he noted that paragraph 4 wording of the proposed UNAMI text - about regional and Iraqi government coordination - must be retained. He explained that it is a guarantee for the Kurds. He cautioned that any change in

paragraph 4 will destroy the elections.

¶7. (C) Barzani showed his impatience with the process. He motioned with his hands and pleaded, "Just make this happen according to the existing text. Leave the text alone. Stop trying to change it." Barzani had strong reservations about what other politicians want to do with the text. He mentioned that Mashadani will try to push for a vote September 17 (Note: this vote did not take place). The Ambassador impressed that the elections law must be passed by consensus. He explained that the COR cannot survive another veto by the Presidency Council. He recalled that the July 22 law was passed by a majority but vetoed by Talabani. The August 6 law was almost passed by majority but not consensus. Thus it is important that Mashadani proceed with a consensus vote. Barzani agreed but cautioned that Mashadani may be the key but is unpredictable. Barzani recalled with a chuckle a time at President Talabani's when Mashadani became upset. When Talabani offered coffee or tea - Mashadani asked for poison. (Talabani offered him as much poison as he could imbibe.)

REGIONAL PLAYERS - TURKEY GOOD, IRAN NOT SO MUCH

¶8. (C) The Ambassador reported that Turkey's Special Envoy to Iraq Murat Ozcelik has been very positive about increasing GOT-GOI relations. Over the last few months, the Ambassador has noticed a definite shift in GOT attitude, accepting the existence of the KRG and/or Kurdistan. He noted that Turkey looks forward to more constructive engagement at both the federal and regional level. Barzani said the feeling is mutual. KRG strives to have an excellent relationship with Turkey. Barzani acknowledged that Turkey is the counterbalance to Iran. Barzani reported that former PM Ayad Allawi, who recently met with PM Gul and GOT officials, echoed the same sentiments. The Ambassador added that the Turks want to develop a business relationship with the rest of Iraq. He asked Barzani to consider Kurdish-Turkish joint ventures elsewhere in Iraq. KRG Deputy Prime Minister Omer Fattah responded that the KRG welcomed this suggestion and acknowledged that there are many Kurdish companies operating in other parts of Iraq. He added that the Turks have been waiting for Iraq's infrastructure to catch up.

¶9. (C) The Ambassador advised Barzani to keep pressure on the PKK and keep KRG-GOT's relationship moving in a positive direction. Barzani indicated that the PKK is not staying in Kurdistan. He reported that three PKK leaders

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surrendered to the KRG, dealing a real blow to the organization. Barzani said he had informed the Turks about these resignations. Barzani cautioned that he would continue to keep the Turks informed but will not surrender PKK to them.

¶10. (S) The Ambassador stated that the U.S. keeps a close eye on Iran with respect to its activities in Iraq. He stated that Iran suffered set backs in Sadr City, Maysan and Basra in 2008. He theorized that Iran decided Jaysh al-Madhi (JAM) had become a liability, placing Iran on the wrong side of the GOI and the Iraqi Shia. He added that Sadr City inhabitants wanted to rid the neighborhood of JAM's Mafia-style rule. Once JAM disbanded and declared itself a cultural organization, Iran found smaller groups to train in Iran. Lebanese Hizbollah is involved in their training. Iran has created a better controlled armed element to be used against Iraqis and the U.S. The Ambassador observed that the U.S. has seen some movements and assassinations attributed to these special groups. To date, these groups have not yet attempted large-scale incidents. The U.S. and GOI keep pressure on these groups to squash any popular support. The Ambassador said that they are clearly up to no good and the U.S. is still not sure of their full intentions.

¶11. (S) Barzani simply stated that Iran seeks to protect its interests in Iraq. Iran wants Iraq to be in a state of constant chaos, to create problems for the U.S. and non-supporters. He added that KRG's intel on Iran is similar. He confirmed the existence of Iran training special groups but added that they have not penetrated Kurdistan due to KRG's tight control and intelligence gathering. Barzani claimed that ever since Maliki visited Iran, the GOI has changed. He asserted that Baathist remnants and extremists are making a come back and that the Shia are losing power in Iraq. He claimed that Iran is decreasing pressure on PM Maliki by taking Moqtader al-Sadr to Iran and grooming him into an Ayatollah. Director of Security Masrur Barzani added that Iran supports all the Shia factions, keeping them divided. He added that in the end it makes Qom stronger than Najaf. He further explained that the Sadrists were different than other Shia groups because they had no ideological movement, making them easy to manipulate. In Masrur's opinion, Maliki did not really defeat the Sadrists in Basra. Rather, Iran made a political decision to withdraw from the confrontation. Many Sadrists who left went to Iran. Masrur added Iran continues to provide support to Sunni and Kurdish elements, and even Baathists in Mosul, to anyone that is anti-government or anti-Coalition. By isolating the Sadrists, Iran made more room to impose its will on Iraqi Shia. Masrur insisted that we must question - as the GOI grows and develops - just how independent is GOI from Iran.

CURRENT STATE OF PLAY - NEED FOR DEEP ENGAGEMENT

¶12. (C) The Ambassador told Barzani that even though the security environment has improved, it has given way to political shifts and tensions. He described the GOI as more assertive with greater capability. Having said that, the GOI has started to confront outstanding unresolved issues that date back to the liberation of Iraq in 2003. He added that the stabilization of Iraq requires much more work. KRG-GOI problems like Article 140, powers of the PM and powers of the President have come to the fore. He opined that Iraqi political leaders need to come together on these issues. The Ambassador urged Barzani to formulate a vision of the new Iraqi state.

¶13. (C) The Ambassador continued that the new Iraq presents opportunities and challenges for Kurdistan. The liberation of Iraq was a huge gain for the Kurds. He acknowledged that Barzani had been deeply involved since the beginning of the efforts to create the new Iraq. The Ambassador pointed out that while there are some Kurds at the top of the national government leadership, the current KRG-GOI relationship lacks deep engagement. The Kurds play little role in defining or developing national Iraqi policies that would support both Kurdish as well as Iraqi interests. In the beginning, Iraq's leaders came together and accomplished important things for the country. The Ambassador contended that there is little interaction now, with no ongoing discussions of key issues. The Ambassador cited education as an example. He queried Barzani whether he was comfortable with the Islamist Education Minister and the broad state of education policy in Iraq. He asked Barzani whether or not the Kurds should be seeking to influence the direction of education policy, and what young Iraqis are learning. Since 1958 in Iraq, the Ambassador observed, there has been a need to rethink Iraqi political alliances based on issues. He noted that the forward defense of Kurdistan is not the green line or Khanaqin but Baghdad.

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¶14. (C) Barzani readily agreed that Baghdad is key to Kurdish interests. He observed that there is an opportunity shape a new Iraq, the Kurds having already worked hard to create democratic rule for Kurdistan and Iraq. He recalled how he and Talabani put their differences aside and brought

all their "bargaining goods" to Baghdad. He stated that Iraq is one country but two ethnicities - Arabs and Kurds. He complained that at each turn Baghdad backstabs the KRG. He asserted that the Kurds have made many concessions for the new Iraq. Siding with the U.S. has not always been popular. He said that the biggest mystery for him is why Article 140 has not been implemented. He admitted that Kurdish representatives in Baghdad sidestepped this issue for a long time. Barzani said he will await the decision on Article 140. He insisted that it is not for others to say or interfere. He firmly re-stated that he will not accept anything else but the implementation of Article 140.

MALIKI GONE WILD

¶15. (C) Barzani flatly said to the Ambassador, "Everyday Maliki threatens the Kurds, put yourself in our shoes." Barzani posed the question, "For how long do you expect us not to fight back?" He claimed that Maliki is changing the composition of the leadership at the top of the Iraqi army divisions. Barzani said he knows that many Kurdish officers serving in disputed areas have been replaced. Barzani clarified that all IA Division Commanders must be approved by the COR and Maliki is not operating according to the rules.

¶16. (C) With regards to disputed areas (DIBs), Barzani stated that no unilateral actions should be taken. He warned that Maliki is using IA troops to push the Peshmerga from the DIBs. Barzani maintained that he has no idea what/who motivated Maliki to 'Arabize' the disputed areas at this time. He said he has heard reports of Kurds being insulted and threatened at IA checkpoints. He mentioned that Iraqi soldiers recently killed five Kurds in a tea shop near Khanaqin with no recourse for the victims' families. Barzani stated that the IA is for all Iraqis. Barzani said that he eagerly awaits President Talabani's return to represent Kurdish interests in Baghdad. In the meantime, Barzani warned the Ambassador that Maliki should not move any IA troops into the DIBs or expect a different (military) response.

¶17. (C) Barzani recalled that in 1982-3 the Kurds rescued Maliki from Saddam, allowing him to stay in Kurdistan, welcoming him into Kurdish homes. Barzani stated that he can no longer trust Maliki. (Comment: Barzani's chief of staff separately confided that Barzani is especially hurt because he perceives that the Kurds rescued Maliki and treated him like a brother in Kurdistan and now this seems to have been forgotten. End Comment.) Barzani charged Maliki of being arrogant and said he is unable to determine Maliki's true intentions. He added that Maliki is acting like a dictator and using the military for personal gain. He asked the Ambassador to imagine what the new Iraq would be like if Maliki is allowed to continue down this road. He admitted that his unwavering support for Maliki had even damaged his relationship with the Saudis. Maliki has plotted to turn public opinion against the Kurds, leaving the Kurds to feel like foreigners in Iraq. Barzani claimed he no longer views the Kurds as partners in the Iraqi government.

WAY FORWARD - STRATEGIC VISION

¶18. (C) The Ambassador pressed upon Barzani the need for the strategic vision of the new Iraq. He questioned whether there had been serious or sustained discussions about how military officers are trained, or how Iraqi children are being taught. The Ambassador maintained that the Kurds should have a fundamental interest in the education and military training processes.

¶19. (C) The Ambassador emphasized that alliances based on issues is the way forward. He urged Barzani to give serious thought about how to protect Kurdish and Iraqi interests. The Ambassador pointed out that at the

strategic level Kurds need to shape an Iraqi state that protects them over long term. At the tactical level they need to deal with immediate problems and issues. He reminded Barzani that alliances will change depending on the issues and urged him to identify what is important in shaping the state. He suggested that Barzani keep everything issue based, find allies to work on the issues and to absolutely avoid confrontation with Iraqi troops or risk

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losing everything the Kurds have achieved thus far.

¶20. (C) Barzani declared that he is committed to the Constitution. He said he believes in the document and what it can do. He said he would let the Constitution be the judge. Regarding confrontation with Iraqi troops, Barzani stressed that the Kurds want to avoid military confrontation and will not be the first to draw blood. Agitated, Barzani said that Maliki started the Khanaqin confrontation and created this situation by refusing open consultations. Barzani claimed that if Maliki had discussed the issue with him Khanaqin would have been a non-issue. He stated that the Kurds have supported the fight against terrorism but would never accept the return of Baathist-like rule. He instructed the Ambassador to compare what the Peshmerga has done with what Maliki or the JAM had done for Iraq. Barzani declared that if Maliki wants to erect an Iraq-KRG border, the Kurds would militarily defend the border as well. He added that he had never imagined the Peshmerga would confront Iraqi soldiers; he never thought Maliki would use the IA to threaten the Kurds. When the IA came into Khanaqin waving Baathist slogans, Barzani said he called Maliki, Talabani and Hashemi to ask if they accepted this type of behavior. Barzani claimed to have sent DPM Barham Salih, KDP Rowsch Shaways, and FM Hoshiyar Zebari to find out Maliki's true intentions. The Ambassador assured Barzani that no one, including Maliki and Hashemi, want the return of the Baathists.

¶21. (C) At this point Barzani drew a map that indicated Iran's location is just 100 km from Khanaqin and opined that perhaps the Iranians want to control the access point through Iraqi proxies. The Ambassador countered that the Iranians have many gateways into Iraq. He added that Maliki had acted against Iran in Basra, Sadr City and Maysan. The Ambassador questioned if Barzani believes Maliki is deliberately acting on orders from Iran. Barzani conjectured that this may be so, wondering why Badr Organization chief Hadi al-Amiri had been in Iran again.

¶22. (C) The Ambassador warned that a military confrontation will recreate the dynamics of 1958 and no Iraqi wants to go back to that. He asked Barzani to focus on the serious challenge which is the future state of Iraq. The Ambassador agreed with Barzani that the Constitution is a guarantee against dictatorship. He commented that the Iraqis suffered under dictatorship and none more so the Kurds. He added that compromise is necessary to achieve the new Iraq. Iraq should never forget but Kurds should not be trapped by it either. Barzani explained that he had put the past aside and went to Baghdad to deal in 2003. He reminded the Ambassador that the Kurds helped the U.S. get the Sunni-Arabs to the bargaining table in 2005.

¶23. (C) The Ambassador said he is not surprised that Iraq is confronted by these difficulties. He noted that Kurdistan is better off now than at any time in its history. The Iraqi Shia are enjoying the best circumstances in 1400 years. He warned Barzani not to risk what they have achieved. The Ambassador described Iraq with one word: fear. The Ambassador recalled what Barzani had once told him: the Shia are afraid of the past, the Sunnis are afraid of the future and the Kurds are afraid of the past and future. Again there is a need to develop a vision that guarantees no one needs to be afraid. Barzani added it is time to teach Maliki a lesson before his tanks and fighter jets come.

¶24. (C) COMMENT: It is evident that Barzani feels isolated, personally betrayed by Maliki and under siege. Barzani considers Maliki's unilateral maneuver in Khanaqin a personal betrayal of their friendship. With popular opinion against the Kurds, Turkey and Iran meddling in Iraqi business and no clear understanding of Maliki's true intentions, Barzani is on the defensive. He believes that GOI efforts to drive the KRG from Khanaqin is the first step toward Kirkuk and even Erbil. The lack of mutual trust between the two leaders is profound and disturbing. We need to pay more frequent and direct attention to Massoud Barzani. We also need to convince Barzani to re-engage with Maliki and meet in person in Baghdad.

CROCKER